

Please type a plus sign (+) inside this box →



PTO/SB/21 (08-00)  
Approved for use through 10/31/2002, OMB 0651-0031  
U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

#5

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## TRANSMITTAL FORM

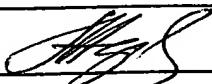
(to be used for all correspondence after initial filing)

		Application Number	09/755,037
		Filing Date	January 8, 2001
		First Named Inventor	SKEMER, Terry
		Group Art Unit	2131
		Examiner Name	---
Total Number of Pages in This Submission	21	Attorney Docket Number	

### ENCLOSURES (check all that apply)

<input type="checkbox"/> Fee Transmittal Form	<input type="checkbox"/> Assignment Papers (for an Application)	<input type="checkbox"/> After Allowance Communication to Group
<input type="checkbox"/> Fee Attached	<input type="checkbox"/> Drawing(s)	<input type="checkbox"/> Appeal Communication to Board of Appeals and Interferences
<input type="checkbox"/> Amendment / Reply	<input type="checkbox"/> Licensing-related Papers	<input type="checkbox"/> Appeal Communication to Group (Appeal Notice, Brief, Reply Brief)
<input type="checkbox"/> After Final	<input type="checkbox"/> Petition	<input type="checkbox"/> Proprietary Information
<input type="checkbox"/> Affidavits/declaration(s)	<input type="checkbox"/> Petition to Convert to a Provisional Application	<input type="checkbox"/> Status Letter
<input type="checkbox"/> Extension of Time Request	<input checked="" type="checkbox"/> Power of Attorney, Revocation Change of Correspondence Address	<input checked="" type="checkbox"/> Other Enclosure(s) (please identify below):
<input type="checkbox"/> Express Abandonment Request	<input type="checkbox"/> Terminal Disclaimer	<input type="checkbox"/> Return post-card
<input type="checkbox"/> Information Disclosure Statement	<input type="checkbox"/> Request for Refund	
<input type="checkbox"/> Certified Copy of Priority Document(s)	<input type="checkbox"/> CD, Number of CD(s) _____	
<input type="checkbox"/> Response to Missing Parts/ Incomplete Application		
<input type="checkbox"/> Response to Missing Parts under 37 CFR 1.52 or 1.53		
Remarks		

### SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT

Firm or Individual name	TROPIC NETWORKS INC., per Dr. Victoria Donnelly Director, Intellectual Property	
Signature	Dr. Victoria Donnelly 	
Date	June 18, 2001	

### CERTIFICATE OF MAILING

I hereby certify that this correspondence is being sent via FEDEX courier to the USPTO, on June 18, 2001, Fedex Tracking No. 7915 8924 6672.		
Typed or printed name	Tonia Kelly	
Signature	Tonia Kelly	Date June 18, 2001

Burden Hour Statement: This form is estimated to take 0.2 hours to complete. Time will vary depending upon the needs of the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Assistant Commissioner for Patents, Washington, DC 20231.

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PTO/SB/82 (10-00)

Approved for use through 10/31/2002. OMB 0651-0035

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## REVOCATION OF POWER OF ATTORNEY OR AUTHORIZATION OF AGENT

Application Number	09/755,037
Filing Date	January 8, 2001
First Named Inventor	SKEMER, Terry
Group Art Unit	2131
Examiner Name	
Attorney Docket Number	TR-053

I hereby revoke all previous powers of attorney or authorizations of agent given in the above-identified application:

A Power of Attorney or Authorization of Agent is submitted herewith.

OR

Please change the correspondence address for the above-identified application to:

Customer Number

→

Place Customer  
Number Bar Code  
Label here

OR

<input type="checkbox"/> Firm or Individual Name	TROPIC NETWORKS INC.			
Address	Attention: Dr. Victoria Donnelly			
Address	135 Michael Cowpland Drive			
City	Kanata, Ontario, Canada. K2M 2E9			
Country	KANATA	State	Ontario	ZIP K2M 2E9
Telephone	(613) 270-6026	Fax	(613) 270-9662	

I am the:

Applicant/Inventor.

Assignee of record of the entire interest. See 37 CFR 3.71.  
Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96)

### SIGNATURE of Applicant or Assignee of Record

Name	David G. Coomber - Vice-President, R&D
Signature	
Date	June 18, 2001

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below\*.

\*Total of \_\_\_\_\_ forms are submitted.

Burden Hour Statement: This form is estimated to take 3 minutes to complete. Time will vary depending upon the needs of the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Assistant Commissioner for Patents, Washington, DC 20231.

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PTO/SB/81 (02-01)

Approved for use through 10/31/2002. OMB 0651-0035

U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE  
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## POWER OF ATTORNEY OR AUTHORIZATION OF AGENT

Application Number	09/755,037
Filing Date	January 8, 2001
First Named Inventor	SKEMER, Terry
Title	Distributed Subscriber Management System
Group Art Unit	2131
Examiner Name	---
Attorney Docket Number	TR-053

I hereby appoint:

Practitioners at Customer Number

29382



PATENT & TRADEMARK OFFICE

OR

Practitioner(s) named below:

Name	Registration Number

as my/our attorney(s) or agent(s) to prosecute the application identified above, and to transact all business in the United States Patent and Trademark Office connected therewith.

Please change the correspondence address for the above-identified application to:

The above-mentioned Customer Number.

OR

Practitioners at Customer Number

Place Customer  
Number Bar Code  
Label here

OR

<input type="checkbox"/> Firm or Individual Name	TROPIC NETWORKS INC.			
Address	Attention: Dr. Victoria Donnelly			
Address	135 Michael Cowpland Drive			
City	Kanata	State	Ontario	Zip K2M 2E9
Country	CANADA			
Telephone	(613) 270-6026	Fax	(613) 270-9662	

I am the:

Applicant/Inventor.

Assignee of record of the entire interest. See 37 CFR 3.71.  
Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96).

### SIGNATURE of Applicant or Assignee of Record

Name	David G. Coomber - Vice-President, R&D
Signature	
Date	June 18, 2001

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below\*.

\*Total of \_\_\_\_\_ forms are submitted.

Burden Hour Statement: This form is estimated to take 3 minutes to complete. Time will vary depending upon the needs of the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Assistant Commissioner for Patents, Washington, DC 20231.

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**STATEMENT UNDER 37 CFR 3.73(b)**Applicant/Patent Owner: TROPIC NETWORKS INC.Application No./Patent No.: 09/755,037 Filed/Issue Date: 8 January 2001Entitled: DISTRIBUTED SUBSCRIBER MANAGEMENT SYSTEMTROPIC NETWORKS INC., , a corporation

(Name of Assignee)

(Type of Assignee, e.g., corporation, partnership, university, government agency, etc.)

states that it is:

- the assignee of the entire right, title, and interest; or
- an assignee of less than the entire right, title and interest.  
The extent (by, percentage) of its ownership interest is \_\_\_\_\_ %

in the patent application/patent identified above by virtue of either:

A.  An assignment from the inventor(s) of the patent application/patent identified above. The assignment was recorded in the United States Patent and Trademark Office at Reel \_\_\_\_\_, Frame \_\_\_\_\_, or for which a copy thereof is attached.

OR

B.  A chain of title from the inventor(s), of the patent application/patent identified above, to the current assignee as shown below:

1. From: SKEMER, Terry To: SEDONA NETWORKS CORPORATION

The document was recorded in the United States Patent and Trademark Office at Reel 011430, Frame 0950, or for which a copy thereof is attached.

2. From: ERNST & YOUNG INC., in its capacity as Trustee in Bankruptcy of SEDONA NETWORKS CORP. To: TROPIC NETWORKS INC.

The document was recorded in the United States Patent and Trademark Office at Reel \_\_\_\_\_, Frame \_\_\_\_\_, or for which a copy thereof is attached.

3. From: \_\_\_\_\_ To: \_\_\_\_\_

The document was recorded in the United States Patent and Trademark Office at Reel \_\_\_\_\_, Frame \_\_\_\_\_, or for which a copy thereof is attached.

Additional documents in the chain of title are listed on a supplemental sheet.

Copies of assignments or other documents in the chain of title are attached.

[NOTE: A separate copy (i.e., the original assignment document or a true copy of the original document) must be submitted to Assignment Division in accordance with 37 CFR Part 3, if the assignment is to be recorded in the records of the USPTO. See MPEP 302.08]

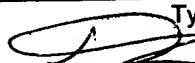
The undersigned (whose title is supplied below) is authorized to act on behalf of the assignee.

June 18, 2001

Date

David G. Coomber

Typed or printed name



Signature

Vice-President, R&D

Title



UNITED STATES DEPARTMENT OF COMMERCE  
Patent and Trademark Office  
ASSISTANT SECRETARY AND COMMISSIONER  
OF PATENTS AND TRADEMARKS  
Washington, D.C. 20231

MARCH 29, 2001

PTAS

LESLIE ANNE KINSMAN  
C/O BORDEN LADNER GERVAIR LLP  
1000-60 QUEEN STREET  
OTTAWA, ONTARIO, K1P 5Y7, CANADA

\*10158406A\*



UNITED STATES PATENT AND TRADEMARK OFFICE  
NOTICE OF RECORDATION OF ASSIGNMENT DOCUMENT

THE ENCLOSED DOCUMENT HAS BEEN RECORDED BY THE ASSIGNMENT DIVISION OF THE U.S. PATENT AND TRADEMARK OFFICE. A COMPLETE MICROFILM COPY IS AVAILABLE AT THE ASSIGNMENT SEARCH ROOM ON THE REEL AND FRAME NUMBER REFERENCED BELOW.

PLEASE REVIEW ALL INFORMATION CONTAINED ON THIS NOTICE. THE INFORMATION CONTAINED ON THIS RECORDATION NOTICE REFLECTS THE DATA PRESENT IN THE PATENT AND TRADEMARK ASSIGNMENT SYSTEM. IF YOU SHOULD FIND ANY ERRORS OR HAVE QUESTIONS CONCERNING THIS NOTICE, YOU MAY CONTACT THE EMPLOYEE WHOSE NAME APPEARS ON THIS NOTICE AT 703-308-9723. PLEASE SEND REQUEST FOR CORRECTION TO: U.S. PATENT AND TRADEMARK OFFICE, ASSIGNMENT DIVISION, BOX ASSIGNMENTS, CG-4, 1213 JEFFERSON DAVIS HWY, SUITE 320, WASHINGTON, D.C. 20231.

RECORDATION DATE: 01/08/2001

REEL/FRAME: 011430/0950  
NUMBER OF PAGES: 3

BRIEF: ASSIGNMENT OF ASSIGNOR'S INTEREST (SEE DOCUMENT FOR DETAILS).

ASSIGNOR:  
SKEMER, TERRY

DOC DATE: 02/03/2000

ASSIGNEE:  
SEDONA NETWORKS CORPORATION  
308 LEGGET DRIVE  
KANATA ONTARIO, CANADA K2L 2P4

SERIAL NUMBER: 09755037  
PATENT NUMBER:

FILING DATE: 01/08/2001  
ISSUE DATE:

LAZENA MARTIN, EXAMINER  
ASSIGNMENT DIVISION  
OFFICE OF PUBLIC RECORDS

FORM PTO-1619A  
Expires 06/01/99  
OMB 0651-0027

01-19-2001

U.S. Department of Commerce  
Patent and Trademark Office  
PATENT

9/755037

1/8/01

101588406  
RECORDATION FORM COVER SHEET  
PATENTS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

## Submission Type

New  
 Resubmission (Non-Recordation)  
 Document ID#   
 Correction of PTO Error  
 Reel #  Frame #   
 Corrective Document  
 Reel #  Frame #

## Conveyance Type

Assignment  Security Agreement  
 License  Change of Name  
 Merger  Other   
**U.S. Government**  
(For Use ONLY by U.S. Government Agencies)  
 Departmental File  Secret File

## Conveying Party(ies)

Mark if additional names of conveying parties attached  
 Execution Date  
Month Day Year  
02 03 2000

Name (line 1) Terry SKEMER

Execution Date  
Month Day Year

Name (line 2)

## Second Party

Name (line 1)

Name (line 2)

## Receiving Party

 Mark if additional names of receiving parties attached

Name (line 1) SEDONA NETWORKS CORPORATION

If document to be recorded  
is an assignment and the  
receiving party is not  
domiciled in the United  
States, an appointment  
of a domestic  
representative is attached.  
(Designation must be a  
separate document from  
Assignment)

Name (line 2)

Address (line 1) 308 Legget Drive

Address (line 2)

Address (line 3) Kanata Ontario, Canada State/Country Zip Code  
City K2L 2P4

## Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name Leslie Anne Kinsman, c/o Borden Ladner Gervais LLP

Address (line 1) 1000-60 Queen Street

Address (line 2) Ottawa, Ontario K1P 5Y7, Canada

Address (line 3)

Address (line 4)

## FOR OFFICE USE ONLY

01/18/2001 MTHAI1 00000274 501593 09755037

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Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

JC652 USPTO  
09/755037

01/08/01

FORM PTO-1619B  
Expires 08/30/99  
OMB 0651-0027

Page 2

U.S. Department of Commerce  
Patent and Trademark Office  
PATENT

## Correspondent Name and Address

Area Code and Telephone Number 613-237-5160

Name Leslie Anne Kinsman, c/o Borden Ladner Gervais LLP

Address (line 1) 1000-60 Queen Street

Address (line 2) Ottawa, Ontario, K1P 5Y7, Canada

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document # 1

## Application Number(s) or Patent Number(s)

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).  Mark if additional numbers attached

## Patent Application Number(s)

## Patent Number(s)



Month Day Year  
02 03 2000

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

## Patent Cooperation Treaty (PCT)

Enter PCT application number  
only if a U.S. Application Number  
has not been assigned.PCT  PCT  PCT PCT  PCT  PCT 

## Number of Properties

Enter the total number of properties involved. # 1

## Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 40.

## Method of Payment:

## Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account)

Enclosed  Deposit Account 

Deposit Account Number: # 501593

Authorization to charge additional fees:

Yes  No 

## Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Leslie Anne Kinsman  
Name of Person Signing

Signature

Jan. 8, 2001  
Date

## ASSIGNMENT

I, Terry Skemer, whose full post office address is 2180 Queensgrove Road, Ottawa, Ontario, K2A 1P7, Canada, in consideration of \$1.00 the receipt of which is hereby acknowledged, and other good and valuable consideration, do hereby sell and assign to SEDONA NETWORKS CORPORATION, whose full post office address is 10-A Hearst Way, Kanata, Ontario K2L 2P4, Canada, all my right, title and interest in Canada, and all countries foreign to Canada in and to the invention disclosed in an application for patent relating to, and entitled DISTRIBUTED SUBSCRIBER MANAGEMENT, the application bearing Canadian Serial No. 2,296,213 and filing date of January 14, 2000, and to all my corresponding right, title and interest in and to any patent which may be, or has been granted therefor.

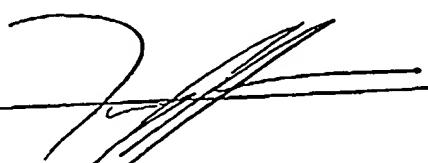
The Assignor hereby requires that this assignment be drawn in the English language.

SIGNED at

OttawaCanada

Country

this

3rd day of February, 2000Terry Skemer

## STATEMENT BY WITNESS

I, Danilo Guanzen whose full post office address is 65 Evanshtn  
 (name of witness) CRESCENT, ONTARIO, CANADA, K2K 2Z7  
 was personally present and did see Terry Skemer execute the within assignment and such assignor is personally known to me to be the person described in such document.

Danilo Guanzen  
 Signature of Witness

Please Complete and Return One Executed Form to Borden Elliot Scott & Aylen

## ASSIGNMENT

THIS ASSIGNMENT made in duplicate this 5<sup>th</sup> day of June, 2001.

BETWEEN:

**Ernst & Young Inc.**, in its capacity as Trustee in  
bankruptcy of Sedona Networks Corp. (the "Bankrupt") and  
as Receiver of the assets, collateral and undertaking of the  
assets, collateral and undertaking of the Bankrupt, pursuant  
to the letter of appointment attached hereto as Schedule  
"A", whose full post office address is Suite 1600, 55  
Metcalfe Street, Ottawa, Ontario, Canada K1P 6L5  
(hereinafter the "Assignor"),

AND:

**Tropic Networks Inc.**, whose full post office address is  
135 Michael Cowpland Drive, Kanata, Ontario, Canada  
K2M 2E9  
(hereinafter the "Assignee")

WHEREAS the Assignor is the Trustee in Bankruptcy of the Bankrupt and was appointed  
Receiver of the assets, collateral and undertaking of the Bankrupt by instrument on the 9th day of April,  
2001 pursuant to a general security agreement (the "General Security Agreement") held by Fleet National  
Bank dated the 17<sup>th</sup> day of July, 2000, of which a financing statement was registered pursuant to the  
Personal Property Security Act on the 27<sup>th</sup> day of July, 2000 as Instrument no. 2000 0727 1752 1531 9235;

AND WHEREAS pursuant to the terms of the General Security Agreement, the Assignor may  
exercise its power of sale of the assets, collateral and undertaking of the Bankrupt by auction, tender or

private sale;

AND WHEREAS the Bankrupt has advertised the assets of the Bankrupt for sale by tender;

AND WHEREAS the Assignee has agreed to purchase the property set out in Schedule "B" hereto annexed on an "as is, where is" basis and pursuant to the Conditions of Sale annexed hereto as Schedule "C";

NOW THEREFORE, in consideration of the sum of \$2.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor does hereby sell and assign, subject to the terms of the Conditions of Sale annexed hereto as Schedule "C", all right, title and interest in Canada, the United States of America and all countries foreign thereto, in and to the inventions disclosed in the applications for patent listed in Schedule "B" attached hereto in which the Bankrupt was the assignee of all interest in and to the said applications, and to any applications for patent claiming priority therefrom, and to all corresponding right, title and interest in and to any patents issued therefrom, and to any patents issued from continuation, continuation-in-part, re-issue, divisional and re-examination applications derived from the above applications.

SIGNED this 5<sup>th</sup> day of June, 2001, at Ottawa, Ontario,  
Canada.

**Ernst & Young Inc.** in its capacity as  
Trustee in Bankruptcy and Receiver of  
Sedona Networks Corp.

Per: *Aboud*

Name: Fred Abboud

Title: Sr. Manager

*Witness Statement*

I, TONIA KELLY, whose full post  
office address is 1134 Cindy Hill Crescent  
Manotick, Ontario K4M 1E7 was  
personally present and did see FRED ABBoud  
, who is known  
to me, execute the within document.

SIGNED this 05 day of June, 2001, at Ottawa, Ontario,  
Canada.

**Tropic Networks Inc.**

Per: *Meg S*

Name: VICTORIA DONNELLY

Title: DIRECTOR OF INTELLECTUAL  
PROPERTY

*Witness Statement*

I, TONIA KELLY, whose full post  
office address is 1134 Cindy Hill Crescent  
Manotick, Ontario K4M 1E7 was  
personally present and did see VICTORIA DONNELLY  
, who is known  
to me, execute the within document.

**SCHEDEULE "A"**

Letter appointing Ernst & Young Inc. as Receiver of the property of Sedona Networks  
Corp., dated April 9, 2001

George E. Durstin  
Vice President  
Managed Assets Division



FleetBoston Financial

Mail Stop: CTEH 40221B  
777 Main Street  
Hartford, CT 06115  
860 986.3788 tel  
860 986.3162 fax  
george\_e\_durstin@fleet.com

April 9, 2001

Ernst & Young, Inc.  
55 Metcalfe Street  
Ottawa, ON K1P65  
Attn: Alex Morrison  
Senior Vice President

RE: Sedona Networks Corp.

Dear Sir:

As security for the indebtedness of Sedona Networks Corp. (the "Company") to Fleet National Bank (the "Bank"), the Bank holds, *inter alia*, two general security agreements dated July 12, 1999 and July 17, 2000 (collectively the "Security").

The Bank hereby appoint Ernst & Young, Inc. as Receiver of all of the property, assets and undertaking of the Company pursuant to the terms of its Security and instructs you to take all necessary action to immediately take possession of, preserve, maintain, protect and realize upon such property, assets and undertaking for the benefit of the Bank.

DATED at Hartford, CT this 9TH day of April, 2001.

FLEET NATIONAL BANK

Per:   
George E. Durstin  
Vice President, Fleet National Bank

For consideration received, the undersigned hereby consents to act as Receiver in accordance with the terms and conditions of the foregoing.

DATED at Ottawa this 11 day of April, 2001.

ERNST & YOUNG, INC.

Per:   
Alex Morrison  
Senior Vice President

**SCHEDULE "B" - Patent Applications**

<b>Serial Number</b>	<b>Filing Date</b>	<b>Title</b>	<b>Inventors</b>	<b>Country</b>
09/755,037	January 8, 2001	DISTRIBUTED SUBSCRIBER MANAGEMENT SYSTEM	Skemer	US
09/419,471	October 15, 1999	TDM-QUALITY VOICE OVER PACKET	Skemer et al.	US
09/464,452	December 10, 1999	METHOD OF LABELLING DATA UNITS WITH A DOMAIN FIELD	Skemer	US
2,293,989	January 7, 2000	DISTRIBUTED SUBSCRIBER MANAGEMENT SYSTEM	Skemer	CA
2,296,213	January 14, 2000	DISTRIBUTED SUBSCRIBER MANAGEMENT SYSTEM	Skemer	CA

**SCHEDULE "C"**

**CONDITIONS OF SALE**

## CONDITIONS OF SALE

### SEDONA NETWORKS CORP.

1. The Vendor of the Parcels is Ernst & Young Inc., in its capacity as Receiver and Trustee of Sedona Networks Corp. (the "Company").
2. The assets being sold (hereinafter referred to as the "Property") pursuant to these Conditions of Sale shall include the Vendor's right, title and interest, if any, in the following assets:

#### Parcel 1 – Inventory

- A-1 New
- A-2 New
- A-3 New
- A-4 New
- A-5 New
- B Used

Parcel 2 - Furniture, fixtures and misc. office supplies

Parcel 3 - Communications equipment

Parcel 4 - Computer equipment

- A. SUN Ultra 10 workstations
- B. Dell workstations
- C. Dell Inspiron notebooks

Parcel 5 - Network and server infrastructure

Parcel 6 - Design verification lab equipment

- A. Digital Signal Processing equipment
- B. Data verification equipment
- C. Voice verification equipment
- D. Network equipment
- E. Lab infrastructure
- F. Cisco 7500 router
- G. Schlumberger GR303 Tester

Parcel 7 - Development lab equipment

- A. Hardware test equipment
- B. Power distribution equipment
- C. Software development equipment

Parcel 8 - All intellectual property related to the Company's Integrated Access Device (Sedona Networks 1000) technology

Parcel 9 - All intellectual property related to the Company's Edge-Switch (Sedona Networks 8000)

Parcel 10 - Transferable software licenses

Parcel 11 - In-house software (productivity tools developed by the Company)

- A. Test automation
- B. Problem tracking, integration request, hardware management tool, hardware reservation
- C. Next generation I/O processor intellectual property

Parcel 12 – Patents and Trademarks

- A. Patent applications
- B. Trademark applications

Parcel 13 - Leasehold interests in Premises

- A. 308 Leggett Drive
- B. 4037 – 4043 Carling Avenue

3. A listing of the various parcels and items therein may be obtained from the Vendor. Such lists have been prepared solely for the convenience of prospective offerers and are not warranted to be complete or accurate and do not form part of these Conditions of Sale.
4. The Vendor may be required to release inventory pursuant to Demands for Repossession of Goods. The inventories included in the Property will be those on hand and available on the closing date of the Agreement(s) of Purchase and Sale therefore.
5. Sealed offers marked "Offers – Sedona Networks Corp." shall be delivered or mailed postage prepaid to Ernst & Young Inc., 1600-55 Metcalfe Street, Ottawa, Ontario K1P 6L5 to the attention of Mr. Fred Abboud so as to be received before 5:00 o'clock in the afternoon (Eastern Standard Time) on Friday, May 4, 2001. **The Vendor reserves the right to advance or extend the offer date at anytime for any reason.** The offer date may be advanced for a sale of the intellectual property, as described in parcels 8, 9, 10, 11 and 12, should an offer be made that is acceptable to the Vendor.
6. Every offer submitted should be in the form of offer attached hereto as Schedule "B". Offers received by the Vendor which are not in such form may be rejected.
7. Offers may be submitted for individual parcels or en bloc for any combination of parcels but all offers must stipulate a separate price for each parcel. **Offers submitted for more than one parcel will be considered as a separate offer for each parcel unless the offerer specifically states that the acceptance of one parcel is conditional upon the acceptance of one or more other parcels.**
8. Offers or proposals from auctioneers to auction the assets on behalf of the Vendor containing a guaranteed minimum net return to the Vendor will be considered.
9. Each offerer shall, with its offer, deliver to the Vendor a certified cheque or bank draft payable to Ernst & Young Inc. for fifteen percent (15%) of the aggregate offered price (the "Purchase Price"). The cheque or bank draft accompanying an offer that is accepted by the Vendor shall be deemed to constitute a cash deposit in respect of the accepted offer, and the successful offerer (hereinafter called the "Purchaser") shall pay the balance of the Purchase Price for the Parcel(s) described in the accepted offer (hereinafter called the "Purchased Property") to the Vendor, in cash, by certified cheque or bank draft, on the

Closing Date (as hereinafter defined) or such other date as may be mutually agreed upon by the Vendor and the Purchaser.

10. Cheques accompanying offers that are not accepted will be returned to the offerer by registered mail addressed to the offerer at the address set out in its offer or made available for pick up not later than fourteen (14) days following the date for submitting offers unless otherwise arranged with the offerer.
11. If any offer is accepted by the Vendor, then such acceptance shall be communicated to the Purchaser within fourteen (14) days of the last date for receiving offers by notice in writing to the Purchaser at the address set forth in the offer, such notice to be given by fax, courier or personal delivery and to be deemed effectively given when faxed or delivered, as the case may be.
12. When an offer for any Parcel(s) is accepted, the terms of the advertised notice of sale, the offer and the acceptance thereof, and these Conditions of Sale shall constitute an agreement of purchase and sale (hereinafter called the "Agreement of Purchase and Sale") between the Purchaser and the Vendor with respect to such Parcel(s). The closing date (hereinafter the "Closing Date") of each Agreement of Purchase and Sale shall be the later of: a) May 18, 2001; and b) the business day following the date on which all necessary approvals required of the Vendor to close such sale shall have been obtained.
13. The closing of each Agreement of Purchase and Sale (hereinafter called the "Closing") shall take place at the office of the Vendor, 1600-55 Metcalfe Street, Ottawa, Ontario K1P 6L5 or at the option of the Vendor, at the offices of the Vendor's solicitors at 11:00 o'clock in the forenoon on the Closing Date thereof.
14. Upon Closing of the sale contemplated by each Agreement of Purchase and Sale, the Purchaser thereunder shall be entitled, upon receipt by the Vendor of the Purchase Price, to such Deeds, Bills of Sale or Assignments as may be considered necessary by the Vendor to convey the Purchased Property to the Purchaser, provided that the Purchaser shall remain liable under the Agreement of Purchase and Sale notwithstanding any assignment of the Agreement of Purchase and Sale by the Purchaser prior to Closing. Any such Deeds, Bills of Sale or Assignments shall contain only a release of the Vendor's interest in the Purchased Property and shall not contain any covenant other than a covenant that the Vendor has done no act to encumber the Purchased Property.
15. The Purchaser shall pay on Closing, in addition to the Purchase Price:
  - (a) all applicable federal and provincial taxes;
  - (b) subject to paragraph 19, the costs, if any, of dismantling or removing the Purchased Property from its present location;
  - (c) subject to paragraph 19, the cost, if any, of repairing any damage caused by dismantling or removal of the Purchased Property from its present location, and returning such location to a neat and clean condition.

16. The Purchaser shall assume, at the Purchaser's cost, complete responsibility for compliance with all municipal, provincial or federal laws insofar as the same apply to the Purchased Property and the use thereof by the Purchaser.
17. The Vendor shall not be required to produce any abstract of title, title deed, title documents or other documents or copies thereof or any evidence as to title, other than those in its possession.
18. With respect to offers made for the assumption of the lease for any of the premises occupied by the Company, the Purchaser thereof shall, within ten (10) days of notice of acceptance of the Purchaser's offer, deliver to the Vendor, in its capacity as Trustee in Bankruptcy:
  - (a) a covenant to observe and perform the terms of any lease entered into by the Company with respect to the leased premises and to conduct upon the leased premises a trade or business which is not reasonably of a more objectionable or hazardous nature than that which was conducted thereon by the Company;
  - (b) full particulars of the Purchaser's financial ability including its most recent financial statements and any letters of reference from the Purchaser's other landlord(s), if any, and its bank(s) and such other information as the Vendor deems advisable or necessary to demonstrate to the landlord of the leased premises that the Purchaser is fit and proper to be put into possession of the premises in question; and
  - (c) an indemnity (with such security as the Vendor deems acceptable) to the Vendor to hold the Vendor harmless from and against any and all liabilities of the Vendor to the landlord that may arise after the Closing Date in respect of any such lease.

The Vendor agrees to use its best efforts to obtain the consent of the landlord, if required for the assignment of such lease but, in doing so, the Vendor shall not be required to incur any expense or liability. In the event that such consent is required and the landlord refuses to consent, the Agreement of Purchase and Sale with respect to such Parcel shall be deemed to be null and void, and the Purchaser shall be entitled to a return of the deposit money without interest, costs or compensation. Alternatively, the Vendor shall, in its discretion, and at the cost of, and on obtaining the written instructions of the Purchaser, apply for an order under the applicable Commercial Tenancies Act (or such similar legislation then in effect in the province in which the relevant premises are situate) permitting the assignment of lease and dispensing with the consent of the landlord.

19. In all cases where the Purchaser is not assuming the lease of the Company's premises, the purchaser shall, on closing, a) undertake in writing to dismantle and remove, at its own expense, the Purchased Property from its present location and restore the premises to a neat and clean condition on or before May 31, 2001; or b) make the payments required pursuant to paragraphs 15 (b) and (c) hereof.
20. All adjustments of insurance, taxes, rents, local improvements and other items, usually adjusted as between a vendor and a purchaser including, in this case, any adjustments, if applicable for prepayments made by the Company or the Vendor with respect to the

leased premises will be made as at the Closing Date on which the balance of the Purchase Price is payable to the Vendor.

21. If the Purchaser of any Parcel(s) fails to comply with the Agreement of Purchase and Sale, the Purchaser's deposit shall be forfeited to the Vendor on account of liquidated damages and such Parcel(s) may be resold by the Vendor, and the Purchaser shall pay to the Vendor (i) an amount equal to the amount, if any, by which the Purchase Price under the Agreement of Purchase and Sale exceeds the net purchase price received by the Vendor pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of, or occasioned by the Purchaser's failure to comply with the Agreement of Purchase and Sale.
22. By submitting an offer, a Purchaser acknowledges that it has inspected the Purchased Property and that the Purchased Property is sold on an "as is, where is" basis at the time of Closing and that no representation, warranty or condition is expressed or implied as to title, description, fitness for purpose, merchantability, quantity, conditions or quality thereof or in respect of any other matter or thing whatsoever. Without limitation, all Parcels are specifically offered as they exist on Closing with no adjustments to be allowed the Purchaser for changes in conditions, qualities or quantities of such parcels from the date hereof to the Closing Date. Each Purchaser acknowledges that the Vendor is not required to inspect or count, or provide any inspection or counting, of the Purchased Property or any part thereof and each Purchaser shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation. It shall be the Purchaser's sole responsibility to obtain, at its own expense, any consents to such transfer and any further documents or assurances which are necessary or desirable in the circumstances.
23. Ernst & Young Inc. acts in its capacity as Receiver and Trustee of Sedona Networks Corp. with regards to the assets of the Company and shall have no personal or corporate liability hereunder or under any Agreement of Purchase and Sale contemplated hereby or as a result of any sale contemplated hereby.
24. The highest or any offer will not necessarily be accepted.
25. No offerer shall be at liberty to withdraw, vary or countermand an offer once made.
26. The Vendor, at its discretion, may waive or vary any or all of the terms and conditions hereof or of its Notice of Sale by Offer.
27. The terms and conditions contained herein shall not merge on the Closing of the transaction contemplated by any Agreement of Purchase and Sale but shall survive such Closing and remain in full force and effect and be binding on the Purchaser thereafter.
28. The Purchaser shall submit to the Vendor all proposed advertisements which it intends to make concerning any resale of the Purchased Property and no advertisement will be placed without the Vendor's prior written approval, such approval not to be unreasonably withheld.
29. Every Purchaser shall represent to the Vendor in its offer whether it is, or is not, a non-Canadian person as defined in the Investment Canada Act (in this paragraph, the "Act"). If the Purchaser is a non-Canadian person and if the Vendor is agreeable to the extension

of the closing date to the date hereinafter set forth (such agreement to be evidenced in writing), the Purchaser shall give the required notice under the Act so that allowance of the transaction under the Act shall have been obtained (in this paragraph, "Approval") within 60 days after communication of acceptance pursuant to Paragraph 12. The Purchaser shall bear the costs and expenses of an application for such Approval, including the costs and expenses of the Vendor, if any. The closing date shall be 10 days after Approval, if such closing date does not fall on a Business Day ("Business Day" means any day except Saturday, Sunday or a legal holiday in the Province of Ontario). The calculation by the Vendor as to what constitutes its costs and expenses shall be final and binding on the Purchaser and shall be paid by the Purchaser to the Vendor at closing. If Approval is not obtained within the aforesaid 60 day period, the Vendor shall be at liberty to terminate the Agreement of Purchase and Sale in connection with which such Approval is being sought in which case the Purchaser shall be entitled only to a return of the deposit, without interest, costs or compensation of any kind whatsoever less the above mentioned costs and expenses of the Vendor.

30. The validity and interpretation of an Agreement of Purchase and Sale shall be governed by the laws of Ontario, and such Agreement shall enure to the benefit of and be binding upon the parties thereto, and their respective heirs, executors, administrators, successors or assigns as the case may be.
31. All stipulations as to time are strictly of the essence.
32. Any offer of documents or money hereunder may be made upon the Vendor or the Purchaser, or their respective solicitors. Payment hereunder may be effected by a bank draft or cheque certified by a Canadian Chartered Bank, Trust Company or Province of Ontario Savings Office.
33. The obligations of the Vendor to complete an Agreement of Purchase and Sale shall be relieved if, on or before the closing of such sale, any Parcel which is the subject of the sale has been removed from the control of the Vendor by any means or process, or any such parcel is redeemed, whereupon the only obligation of the Vendor shall be to return the applicable deposit, without interest, costs or compensation.

Dated at Ottawa, Ontario this 12 day of April, 2001.

**ERNST & YOUNG INC.**  
Receiver and Trustee of Sedona Networks Corp.  
1600 – 55 Metcalfe Street  
Ottawa, ON K1P 6L5

Attention: Mr. Fred Abboud  
Telephone: (613) 598-4373